



Factors influencing the consumer Buying behaviour of NYKAA in Rajkot

Ms. Devanshi A Ajagiya

MBA, Atmiya university Rajkot (Gujarat), India

Ms. Charmi H Vachhani

MBA, Atmiya university Rajkot (Gujarat), India

Ms. Anjali M Gohel

Assistant Professor Department of commerce,

Atmiya university Rajkot (Gujarat), India.

Abstract - This research delves into the key factors influencing consumer buying behavior toward Nykaa, a leading online beauty and wellness platform, with a particular focus on users in Rajkot city. Utilizing a structured questionnaire, data was collected from 128 respondents to gain insights into customer preferences, brand perception, satisfaction levels, and shopper categories-ranging from impulsive buyers to those drawn by offers and discounts. The findings reveal that demographic variables such as age do not significantly shape online shopping behavior. However, the perceived uniqueness of Nykaa—especially in terms of product quality, brand authenticity, and promotional offers—plays a crucial role in boosting customer satisfaction. Shoppers who view Nykaa as offering genuine, high-quality products are more likely to report positive experiences and continued loyalty to the platform. Conversely, the study highlights that negative purchasing experiences, including late deliveries or receiving damaged products, substantially lower customers' willingness to make future purchases. These setbacks can quickly erode trust, making it essential for Nykaa to address such issues proactively. The study concludes with actionable recommendations for Nykaa to enhance its customer satisfaction and retention rates. Suggestions include offering more personalized services, improving delivery logistics, and increasing customer interaction through engaging and responsive communication channels. By focusing on these areas, Nykaa can strengthen its position in the Rajkot market and better meet the evolving expectations of its consumers.

Keywords - *Nykaa, Consumer Buying Behavior, Online Shopping,*



I. INTRODUCTION

The retail sector in India is experiencing a major change, fueled by technological progress and increased investment interest. Marketing and advertising have become integral to consumers' everyday experiences, significantly influencing their attitudes, preferences, and buying choices. The behavior of consumers when making purchases is influenced by a combination of psychological, cultural, and social factors, making it crucial for marketers to grasp these patterns and motivations to successfully reach their target audience.

Nykaa, a leading e-commerce platform in India focused on beauty and wellness, has risen to prominence thanks to its robust digital strategy, extensive product offerings, and dependable service. Established in 2012 by Falguni Nayar, Nykaa utilized an inventory-based approach and a combined online and offline presence to serve a varied and expanding customer demographic. The company's achievements during the COVID-19 pandemic and its subsequent financial successes highlight the efficiency of its marketing and customer engagement tactics.

This research examines consumer purchasing habits regarding Nykaa, particularly in the Rajkot district. It aims to uncover preferences based on age, satisfaction ratings, and elements that affect online beauty product purchases. Grasping these factors is essential not just for Nykaa but also for burgeoning startups in the cosmetics industry to create effective marketing strategies.

With consumer preferences changing rapidly, this research aids in comprehending how regional demographics engage with national e-commerce platforms. It offers important insights into consumer expectations, improving businesses' ability to provide tailored and efficient solutions in a competitive market.

II. LITERATURE REVIEW

1. McKinsey & Company (2021)

According to a report by McKinsey & Company (2021), the digital shift has accelerated post-COVID-19, with up to 30% of global beauty sales occurring online. The report highlights that brands with robust digital strategies, including social media, influencer collaborations, and e-commerce integration, outperformed those with weaker digital footprints.

2. Interactive Marketing (2020)

A study published in the Journal of Interactive Marketing (2020) highlighted that Instagram and YouTube are the most preferred platforms for beauty content. This preference stems from their highly visual nature, making them ideal for tutorials, product showcases, and influencer-driven content. The study is grounded in Engagement Theory, emphasizing that platforms allowing two-way interaction and rich media content enhance consumer connection with brands. However, the study's focus was primarily on Gen Z and Millennials, limiting its generalizability across older age groups.



3. Bhatt & Sharma (2022)

A study by Bhatt & Sharma (2022) in the Indian Journal of Marketing highlighted Nykaa's robust Omni-channel presence as a key differentiator. The brand seamlessly integrates its online platform with offline stores, allowing consumers to switch between digital and physical experiences effortlessly. The research, based on the Omni-channel Retailing Model, found that this approach significantly boosts customer retention and satisfaction.

4. Raghav & Desai (2022)

Research by Raghav & Desai (2022) published in the Journal of Consumer Studies identifies two prominent customer types: 'conscious consumers' who focus on ingredient transparency, cruelty-free certification, and sustainable packaging, and 'aspirational buyers' who are drawn to premium international brands available on Nykaa's Luxe platform. The Consumer Typology Framework used in the study highlights a shift from basic utility-based shopping to identity-driven consumption.

5. Mehta & Rao (2022)

A study by Mehta & Rao (2022) in the Journal of Retail Consumer Behavior found that product mismatch—receiving incorrect shades or sizes—was a common complaint. Based on the Expectation-Confirmation Theory, the study suggested that such mismatches often lead to negative post-purchase dissonance, particularly in the cosmetics category where precision matters.

III. Research Objective

1. To analyze the online buying preferences of consumers for beauty products in Rajkot city.
2. To identify the most preferred online platforms for purchasing beauty and personal care products.
3. To examine consumer perception regarding the uniqueness of Nykaa as a brand.
4. To categorize types of Nykaa customers based on their buying behavior (e.g., loyal, discount-seeking, impulsive).

IV. HYPOTHESIS

To analyze the factors influencing consumer buying behavior, the following hypotheses can be tested:

H1: There is a significant association between age group and preferences for buying beauty products online.

H2: Different types of customers tend to prefer different platforms (nykaa, purple, lush etc)

H3: Perception of Nykaa's uniqueness significantly affects customer satisfaction

H4: Customer type significantly influences the level of satisfaction.

H5: Issues faced during past purchase significantly affect future purchase intention



V. RESEARCH METHODOLOGY

A. Primary Data Collection:

Primary data will be gathered using a questionnaire survey. The questionnaire will focus on various factors influencing consumer buying behavior, such as online shopping preferences, customer satisfaction with Nykaa's services, reasons for product selection, and demographic information.

B. Sampling Method:

Sampling Technique: Convenience sampling or stratified sampling.

C. Sample Size:

The sample size will consist of 128 respondents.

D. Sampling Population:

Consumers from Rajkot City who have used Nykaa in the past or have shown an interest in beauty products.

E. Data Collection Tool:

A structured questionnaire (Google Forms).

F. Statistical tool:

Chi – square test

VI. DATA ANALYSIS

• Chi-Square Test

H1: There is a significant association between age group and preferences for buying beauty products online.

❖ Step 1: Create a Contingency Table (Observed Frequencies)

Table: 1

Age Group	Online: No	Online: Yes	Total
Below 20	11	10	21
20 – 30	11	20	31
31 – 40	20	40	60
41 – 50	8	5	13
Above 50	2	1	3
Total	52	76	128

These are your **observed frequencies (O)** — actual survey responses.

❖ Step 2: Calculate Expected Frequencies (E)

Use the formula:
$$\frac{\text{Row total} \times \text{Column total}}{\text{Grand Total}}$$



Example for Age 20–30, Online: No:

$$E = \frac{31 \times 52}{128} = 12.59$$

Repeat for each cell.

Table: 2

Age Group	Online: NO(E)	Online: Yes (E)
Below 20	8.53	12.47
20 – 30	12.59	18.41
31 – 40	24.38	35.63
41 – 50	5.28	7.72
Above 50	1.22	1.78

❖ **Step 3: Apply the Chi-Square Formula**

$$X^2 = \sum \frac{(O-E)}{E}$$

$$O = 11$$

$$E = 12.59$$

$$X^2 = \sum \frac{(O-E)}{E} = \sum \frac{(11-12.59)}{16.24} = 0.20$$

Now calculate for all cells:

Table: 3

Age Group	Online: NO(E)	Online: Yes (E)
Below 20	0.72	0.49
20 – 30	0.20	0.14
31 – 40	0.79	0.54
41 – 50	1.40	0.96
Above 50	0.49	0.34

❖ **Step 4: Add Up All the Values**

$$\chi^2 = 0.49 + 0.72 + 0.14 + 0.20 + 0.54 + 0.79 + 0.96 + 1.40 + 0.34 + 0.49$$
$$= 6.07$$

❖ **Step 5: Degree of Freedom**



$$\begin{aligned}df &= (r - 1) (c - 1) \\&= (5-1) (2-1) \\&= 4\end{aligned}$$

❖ **Step 6: Find p – value**

At a significance level (α) of 0.05, the critical value for χ^2 with 4 df is 9.488.

- Our $\chi^2 = 6.07 < 9.488$
- Fail to reject the null hypothesis.

Conclusion

There is no statistically significant association between age group and preference for buying beauty products online based.

H2: Platforms preferences varies significantly based on customer type (nykaa, purple etc)

❖ **Step 1: Create a Contingency Table (Observed Frequencies)**

Table: 4

Customer Type	Nykaa	Bodyshop	Purple	Lush	Others	Row Totals
Need-based	4	5	3	4	4	20
Impulsive	25	10	8	6	5	54
Discount	10	8	4	5	3	30
Loyal	10	5	3	2	4	24
Column Totals	49	28	18	17	16	128

❖ **Step 2: Calculate Expected Frequencies (E)**

Use the formula: $\frac{\text{Row total} \times \text{Column total}}{\text{Grand Total}}$

Table: 5

Customer Type	Nykaa	Bodyshop	Purple	Lush	Others	Row Totals
Need-based	7.66	4.38	2.81	2.66	2.50	20
Impulsive	20.68	11.81	7.59	7.17	6.75	54
Discount	11.48	6.56	4.22	3.98	3.75	30
Loyal	9.18	5.25	3.38	3.19	3.00	24



Column Totals	49	28	18	17	16	128
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❖ **Step 3: Apply the Chi-Square Formula**

Table: 6

$$X^2 = \sum \frac{(O-E)}{E}$$

Customer Type Platform \	Nykaa	Bodyshop	Purple	Lush	Others	Row Totals
Need-based	1.75	0.09	0.01	0.71	0.90	3.46
Impulsive	0.90	0.28	0.02	0.19	0.45	1.84
Discount	0.19	0.33	0.01	0.26	0.15	0.94
Loyal	0.07	0.01	0.04	0.44	0.33	0.89
Column Total						7.13

❖ **Step 4: Add Up All the Values**

$$\chi^2 = 3.46 + 1.84 + 0.94 + 0.89 = 7.13$$

❖ **Step 5: Degree of Freedom**

$$df = (r - 1) \times (c - 1)$$

$$= (4 - 1) \times (5 - 1)$$

$$= 12$$

❖ **Step 6: Find p – value**

From the Chi-Square distribution table:

$$\chi^2 \text{ at } df = 12 \text{ and } \alpha = 0.05 = 21.026$$

Conclusion



There is no statistically significant Platforms preferences varies significantly based on customer type.

H3: Perception of Nykaa's uniqueness significantly affects customer satisfaction

❖ Step 1: Create a Contingency Table (Observed Frequencies)

Table: 7

Uniqueness	Satisfied	Not Satisfied	Row Total
Price	10	8	18
Quality	20	6	26
Genuine products	22	2	24
Discount/Offers	18	16	34
Wide range of products	10	6	16
Other	5	5	10
Column Totals	85	43	128

❖ Step 2: Calculate Expected Frequencies (E)

Use the formula: $\frac{\text{Row total} \times \text{Column total}}{\text{Grand Total}}$

Table: 8

Expected (E Satisfied)	Expected (E Not Satisfied)
11.33	6.67
17.34	8.66
15.75	8.25
22.72	11.28
10.67	5.33
6.64	3.36

❖ Step 3: Apply the Chi-Square Formula

$$X^2 = \sum \frac{(O-E)}{E}$$



Table: 9

Uniqueness	Satisfied	Not Satisfied
Price	0.16	0.27
Quality	0.41	0.83
Genuine Products	2.48	4.73
Discount/Offers	0.91	1.91
Wide Range of Products	0.04	0.09
Other	0.41	0.80

❖ **Step 4: Add Up All the Values**

$$\chi^2 = 0.16 + 0.27 + 0.41 + 0.83 + 2.48 + 4.73 + 0.91 + 1.91 + 0.04 + 0.09 + 0.41 + 0.80$$
$$= 12.04$$

❖ **Step 5: Degree of Freedom**

$$\square \text{ df} = (\text{rows} - 1) \times (\text{columns} - 1)$$
$$= (6-1) \times (2-1)$$
$$= 5$$

❖ **Step 6: Find p – value**

For a significance level (α) = 0.05, the critical value for df = 5 is 11.070.

Conclusion

Since $12.04 > 11.070$, we reject the null hypothesis.

This indicates that there is a significant association between the perception of Nykaa's uniqueness and customer satisfaction.

H4: Customer type significantly influences the level of satisfaction.

❖ **Step 1: Create a Contingency Table (Observed Frequencies)**

Table: 10

Customer Type	Satisfied	Not Satisfied	Total
Need-based	12	8	20
Impulsive	40	14	54
Discount	18	12	30



Loyal	20	4	24
Total	90	38	128

❖ **Step 2: Calculate Expected Frequencies (E)**

Use the formula: $\frac{\text{Row total} \times \text{Column total}}{\text{Grand Total}}$

Table: 11

Customer Type	Satisfied	Not Satisfied
Need-based	14.06	5.94
Impulsive	37.97	16.03
Discount	21.09	8.91
Loyal	16.88	7.13

❖ **Step 3: Apply the Chi-Square Formula**

$$X^2 = \sum \frac{(O-E)}{E}$$

Table: 12

Customer Type	Satisfied	Not Satisfied
Need-based	0.30	0.71
Impulsive	0.11	0.26
Discount	0.45	1.08
Loyal	1.44	1.37

❖ **Step 4: Add Up All the Values**

$$\chi^2 = 0.30 + 0.71 + 0.11 + 0.26 + 0.45 + 1.08 + 0.58 + 1.37 = \mathbf{4.86}$$

❖ **Step 5: Degree of Freedom**

$$df = (\text{rows} - 1) \times (\text{columns} - 1)$$

$$= (4 - 1) \times (2 - 1)$$

$$= \mathbf{3}$$



❖ **Step 6: Find p – value**

At $df = 3$, critical value at $\alpha = 0.05$ is 7.815.

Since $4.86 < 7.815$, we fail to reject the null hypothesis.

Conclusion

There is no significant association between customer type and satisfaction level at the 5% significance level.

H5: Issues Faced during past purchase significantly affect future purchase intention.

❖ **Step 1: Create a Contingency Table (Observed Frequencies)**

Table: 13

Problems Faced	Will Repurchase (Yes)	Will Not Repurchase (No)	Total
Not delivered on time	10	22	32
Arrival of damaged products	9	14	23
Poor packaging	5	4	9
Return & refund	14	12	26
Delayed response	7	9	16
None	20	2	22

❖ **Step 2: Calculate Expected Frequencies (E)**

Use the formula: $\frac{\text{Row total} \times \text{Column total}}{\text{Grand Total}}$

Table: 14

Problems Faced	Will Repurchase	Will Not Repurchase (No)
Not delivered on time	16.25	15.75
Arrival of damaged products	11.68	11.33
Poor packaging	4.57	4.43
Return & refund	13.23	12.77
Delayed response	8.13	7.88
None	11.19	10.81



❖ **Step 3: Apply the Chi-Square Formula**

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Table: 15

Problems Faced	(O-E)²/E	(O-E)²/E
Not delivered on time	2.40	2.47
Arrival of damaged products	0.61	0.63
Poor packaging	0.04	0.01
Return & refund	0.04	0.05
Delayed response	0.16	0.17
None	6.87	7.17

❖ **Step 4: Add Up All the Values**

$$\chi^2 = 2.40 + 2.47 + 0.61 + 0.63 + 0.04 + 0.01 + 0.04 + 0.05 + 0.16 + 0.17 + 6.87 + 7.17$$
$$= 20.22$$

❖ **Step 5: Degree of Freedom**

$$Df = (\text{rows} - 1) \times (\text{columns} - 1)$$
$$= (6 - 1) \times (2 - 1)$$
$$= 5$$

❖ **Step 6: Find p – value**

Calculated Chi-square = 20.22

Critical value = 11.07

Since 20.22 > 11.07, we reject the null hypothesis.

Conclusion

There is a significant association between issues faced during purchase and future purchase intention.

Interpretation of hypothesis

H1: Association Between Age Group and Online Beauty Product Preference.

Test Result: Not Significant ($\chi^2 = 6.07 < \text{Critical Value} = 9.488$)

Interpretation: The age group of a respondent and their preference for online beauty product purchases do not statistically significantly correlate. Age-group preferences seem to be quite consistent.

H2: Platforms preferences varies significantly based on customer type (nykaa, purple etc)



Test Outcome: Not Significant (critical value = $21.026 < \chi^2 = 7.13$)

Interpretation: A customer's favourite online platform is not greatly influenced by their kind, whether they are need-based, impulsive, discount-seeking, or loyal. This implies that other elements, such product variety or marketing efficacy, might be more important.

H3: Perception of Nykaa's Uniqueness Affects Customer Satisfaction

Test Result: Significant ($\chi^2 = 12.04 > \text{Critical Value} = 11.070$)

Interpretation: Customers' happiness levels and their perceptions of Nykaa's uniqueness—such as discounts, authentic products, and quality—are significantly correlated. Distinctive brand attributes are successfully increasing customer happiness.

H4: Customer Type Influences Level of Satisfaction

Test Result: Not Significant ($\chi^2 = 4.86 < \text{Critical Value} = 7.815$)

Interpretation: Customers' satisfaction with Nykaa is not substantially impacted by their classification as need-based, impulsive, etc. Customer type may not have as much of an impact on satisfaction as brand experience or service excellence.

H5: Issues Faced During Past Purchases Affect Future Purchase Intention

Test Result: Significant ($\chi^2 = 20.22 > \text{Critical Value} = 11.070$)

Interpretation: Issues with previous purchases (such as broken goods or delayed deliveries) are strongly correlated with whether or not customers want to make another purchase from Nykaa. Customer retention is directly impacted by bad encounters.

VII. RECOMMENDATION

1. Enhance Delivery and Fulfilment Efficiency

Issue Identified: Delivery delays were the top problem faced (25% of respondents).

Strategy:

- Partner with local logistic providers in Tier 2 and Tier 3 cities for faster delivery.
- Implement AI-based demand forecasting to pre-stock popular items in regional warehouses.
- Introduce Nykaa Prime for same-day or 2-day delivery subscription for loyal users.

2. Improve Returns and Customer Service Process

Issue Identified: High dissatisfaction with returns, refunds, and delayed responses.

Strategy:

- Set up a dedicated returns team with Chabot support for 24/7 assistance.
- Offer instant wallet refunds for specific product categories.
- Introduce a clear, visual return/refund tracker within the app.



3. Build on Uniqueness with Personalization

Insight: Customers value genuine products, quality, and exclusive offers.

Strategy:

- Use AI to offer personalized product recommendations and beauty regimes.
- Expand virtual try-on tools and skin quizzes for better user engagement.
- Launch exclusive collaborations or limited-edition beauty boxes.

4. Target Impulsive and Discount-Oriented Shoppers More Effectively

Insight: 42% of customers are impulsive, 23% discount seekers.

Strategy:

- Introduce a Flash Deal of the Day section with limited-time offers.
- Gamify the shopping experience with spin-the-wheel discounts or loyalty scratch cards.
- Notify users when favorite products go on sale via personalized alerts.

5. Educate and Engage via Content

Strength: Strong influencer and content strategy already in place.

Strategy:

- Expand Nykaa TV and blog content in vernacular languages to tap into regional markets.
- Partner with dermatologists and beauty experts for live Q&A sessions and tutorials.
- Launch a user-generated content campaign — “My Nykaa Look” — for community building.

6. Strengthen Mobile App UX/UI

Issue Identified: App glitches and filter issues during high traffic.

Strategy:

- Conduct Regular A/B testing to improve navigation, filtering, and checkout flow.
- Introduce a progressive web app (PWA) version for users with low-end phones or poor internet.
- Add voice search and filter-by-skin-type features.

7. Rural & Elderly Outreach

Gap: Underrepresented demographics like rural consumers and elderly users.

Strategy:

- Partner with rural beauty parlors and retail chains for offline onboarding.
- Launch an “Easy Order” phone line or WhatsApp assistant for non-tech-savvy users.
- Create simplified, senior-friendly bundles (e.g., Ayurvedic, anti-aging kits).



VIII. CONCLUSION

Using data from 128 people in Rajkot, this study examined the variables affecting Nykaa's consumer behavior. Key studies show that Nykaa's diversity, genuineness, and discounts are what make it so popular. However, problems with refunds and delivery delays affect plans to make more purchases in the future. The majority of consumers have generally high levels of happiness and are impulsive or motivated by discounts. However, retention depends on improved customer experience and regular service.

Hypothesis Summary and Outcomes

Hypothesis	Statement	Result
H1	Association between age group and preferences for online purchase	Not Significant
H2	Platform preferences vary significantly based on customer type	Not Significant
H3	Perception of Nykaa's uniqueness significantly affects customer satisfaction	Significant
H4	Customer type significantly influences the level of satisfaction	Not Significant
H5	Issues faced during past purchases significantly affect future purchase intention	Significant

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